

LINDA LINGLE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
889 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

BRENNON T. MORIOKA
DIRECTOR

Deputy Directors
MICHAEL D. FORMBY
FRANCIS PAUL KEENO
BRIAN H. SEKIGUCHI
JIRO A. SUMADA

IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

ISSUANCE OF DIRECT LEASE – UNIVERSITY OF HAWAII.
HONOLULU INTERNATIONAL AIRPORT

OAHU

REQUEST:

Issuance of a direct lease to the University of Hawaii for the benefit of Honolulu Community College's AERO program at Honolulu International Airport.

LEGAL REFERENCE:

Subsection 171-59(b), Hawaii Revised Statutes, as amended.

APPLICANT / LESSEE:

University of Hawaii

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Honolulu, Island of Oahu, identified by Tax Map Key: 1st Division, 1-1-76:1

AREA:

1. Buildings.

a. Building No. 237, containing a footprint area of approximately 12,372 square feet and all improvements and fixtures as shown on Exhibit A, dated January 1996, attached hereto.

b. Building No. 238, containing a footprint area of approximately 13,776 square feet, more or less and all improvements and fixtures as shown on Exhibit A, dated January 1996, attached hereto.

2. Unpaved, reserved ground areas.

a. Space No. 009-193B, containing an area of approximately 22,614 square feet, as shown on Exhibit A, dated January 1996, attached hereto.

b. Space No. 009-193F, containing an area of approximately 25,008 square feet, as shown on Exhibit A, dated January 1996, attached hereto.

3. Landscaped lawns and sidewalks.

a. Space No. 009-193D, containing an area of approximately 10,445 square feet, as shown on Exhibit A, dated January 1996, attached hereto.

b. Space No. 009-193E, containing an area of approximately 10,085 square feet, as shown on Exhibit A, dated January 1996, attached hereto.

c. Space No. 009-193G, containing an area of 6,455 approximately square feet of sidewalk and planter boxes, as shown on Exhibit A, dated January 1996, attached hereto.

4. Parking

Space No. 009-193C, containing an area of approximately 85,065 square feet, as shown on Exhibit A, dated January 1996, attached hereto.

5. Apron

Space No. 009-193A, containing an area of approximately 22,106 square feet, as shown on Exhibit A, dated January 1996, attached hereto..

ZONING:

State Land Use District:
City and County of Honolulu:

Urban
I-2 (Industrial)

LAND TITLE STATUS:

Section 5(e) - Public Law 88-223 - "ceded" land of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES ☐ NO ☒

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3201, setting aside a portion of Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport Purposes.

CHARACTER OF USE:

Operation of the University of Hawaii, Honolulu Community College ABRO program, an approved aviation maintenance technician training facility operating under Federal Aviation Administration Air Agency Certificate No. D19T087R with Airframe, Powerplant, and combined Airframe and Powerplant ratings.

TERM OF LEASE:

Thirty-two (32) years with two additional 10-year option periods.

LEASE COMMENCEMENT DATE:

Lease to commence retroactively from July 1, 1988.

LEASE RENTAL:

GROUND RENT:

July 2000 to June 2003. Beginning July 1, 2000 and for the next three (3) years of the Lease from this beginning date, the annual ground rental shall be the sum of SIX THOUSAND SIXTY AND NO/100 DOLLARS (\$6,060.00) based upon: (1) \$25.00 per month for each of the unpaved, reserved ground areas of Space Nos. 009-193B and 009-193F; (2) \$25.00 per month for each of the landscaped lawns and sidewalks of Space Nos. 009-193D, 009-193E, and 009-193G; and (3) \$38.00 per month per aircraft spot on the apron. At the commencement of this Lease, there will be ten (10) aircraft storage spots on the apron available to the LESSEE.

July 2003 to June 2005. For the next Lease period of two (2) years beginning July 1, 2003 and ending June 30, 2005, the annual rental shall be the sum of SIX THOUSAND

SIXTY AND NO/100 DOLLARS (\$6,060.00) based upon: (1) \$25.00 per month for each of the unpaved, reserved ground areas of Space Nos. 009-193B and 009-193F; (2) \$25.00 per month for each of the landscaped lawns and sidewalks of Space Nos. 009-193D, 009-193E, and 009-193G; and (3) \$38.00 per month per aircraft spot on the apron. During this Lease period, there will be ten (10) aircraft storage spots on the apron available to the LESSEE.

July 2005 to June 2010. For the next Lease period of five (5) years beginning July 1, 2005 and ending June 30, 2010, the annual rental shall be the sum of SIX THOUSAND SIXTY AND NO/100 DOLLARS (\$6,060.00) based upon: (1) \$25.00 per month for each of the unpaved, reserved ground areas of Space Nos. 009-193B and 009-193F; (2) \$25.00 per month for each of the landscaped lawns and sidewalks of Space Nos. 009-193D, 009-193E, and 009-193G; and (3) \$38.00 per month for each of the ten (10) aircraft storage spots on the apron, provided, however, in the event that the LESSEE or the LESSOR shall develop and construct improvements on the reserved ground and/or landscaped lawns being Space Nos. 009-193B, 009-193D, 009-193E, and 009-193F at any time during this period or in any later period, then at the time the LESSOR makes the improvements available to the LESSEE, the rentals for said spaces shall be revised to the then applicable airport building and land rentals in effect at the Airport for the remaining term of the affected rental period and for each of the remaining periods of the Lease.

BUILDING RENT:

July 2000 to June 2003. Beginning July 1, 2000 and for the next three (3) years of the Lease from this beginning date, the annual rental for the two buildings shall be the sum of TWENTY-SEVEN THOUSAND FOUR HUNDRED FIFTY-SIX AND NO/100 DOLLARS (\$27,456.00) based upon a rate of \$1.05 per square foot per year per building.

July 2003 to June 2005. For the next Lease period of two (2) years beginning July 1, 2003 and ending June 30, 2005, the annual building rental shall be the sum of FORTY-FOUR THOUSAND FOUR HUNDRED FIFTY-TWO AND NO/100 DOLLARS (\$44,452.00), based on a rate of \$1.70 per square foot per year per building.

July 2005 to June 2010. For the next Lease period of five (5) years beginning July 1, 2005, and ending June 30, 2010, the annual building rental shall be the sum of FIFTY THOUSAND NINE HUNDRED EIGHTY-EIGHT AND NO/100 DOLLARS (\$50,988.00), based on a rate of \$1.95 per square foot per year per building.

PARKING RENT:

July 2000 to June 2003. Beginning July 1, 2000 and for the three (3) years of this Lease from this beginning date, the annual rental shall be the sum of ONE THOUSAND TWENTY AND NO/100 DOLLARS (\$1,020.00) based on the average daily number of parking spaces in the Airport parking lot, being Space 009-193C, occupied by motor vehicles owned or controlled by the LESSEE or any of the LESSEE's employees, students, invitees, agents, and representatives ("average daily occupancy") (which as of July 1, 2000, was fifty-one (51)), as determined by the LESSOR, at the LESSOR's monthly parking rate for uncovered parking for State employees at the Airport.

July 2003 to June 2005. For the next two (2)-year period of this Lease beginning July 1, 2003, and ending June 30, 2005, the annual rental shall be the sum of ONE THOUSAND TWENTY AND NO/100 DOLLARS (\$1,020) based on the average daily number of parking spaces in the Airport parking lot, being Space 009-193C, occupied by motor vehicles owned or controlled by the LESSEE or any of the LESSEE's employees, students, invitees, agents, and representatives ("average daily occupancy") (which as of July 1, 2003, was fifty-one (51)), as determined by the LESSOR, at the LESSOR's monthly parking rate for uncovered parking for State employees at the Airport.

July 2005 to June 2010. For the next five (5)-year period of this Lease beginning July 1, 2005, and ending on June 30, 2010, the annual rental shall be the sum of ONE THOUSAND TWENTY AND NO/100 DOLLARS (\$1,020) based on the average daily number of parking spaces in the Airport parking lot, being Space 009-193C, occupied by motor vehicles owned or controlled by the LESSEE or any of the LESSEE's employees, students, invitees, agents, and representatives ("average daily occupancy") (which as of July 1, 2005, was fifty-one (51)), as determined by the LESSOR, at the LESSOR's monthly parking rate for uncovered parking for State employees at the Airport.

BACK RENT:

In accordance with FAA requirements for the initial use and occupancy of the Premises, the LESSEE shall pay the LESSOR an additional sum (hereafter collectively referred to as "Back Rent") of \$33,816.00 for each twelve (12)-month period from July 1, 1998 to June 30, 2000 (hereafter the "Back Rent Period"), less the rental amounts paid to LESSOR by the LESSEE under Revocable Permit No. 5310 for the same Back Rent Period.

REOPENING OF ANNUAL GROUND LEASE RENTAL:

For each of the four remaining five (5)-year lease periods totaling twenty (20) years, the fair market annual ground lease rental for each five (5)-year lease rental reopening period shall be determined separately when due at the time of reopening, in accordance with the provisions of Section 171-17, Hawaii Revised Statutes, relating to Appraisals, by an independent real estate appraiser whose services shall be contracted for and paid by the Department of Transportation.

PERFORMANCE BOND:

None

MINIMUM IMPROVEMENTS REQUIREMENT:

None

PROPERTY CHARACTERISTICS:

Lease area includes two existing buildings, parking, ramp and landscaped areas.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

The subject land area is covered by Volume 3, Environmental Assessment for the Honolulu International Airport Master Plan Update and Noise Compatibility Program, dated September 1989 and referenced as State Project No. AO1011-03. This Environmental Assessment evaluated the environmental effects of the recommended Airport Development Plan which would accommodate the forecast general and commercial aviation needs of the island of Oahu through the year 2005 and was prepared for the State of Hawaii, Department of Transportation, Airports Division by KFC Airport, Inc.

DCCA VERIFICATION:

Not Applicable

REMARKS:

The University of Hawaii has conducted its Honolulu Community College ABRO program using Department of Transportation facilities since 1988. Occupancy of the property was granted through a revocable permit with minimal rent on the understanding

that a lease covering the entire term and complying with federal requirements would be entered into when funding became available.

RECOMMENDATION:

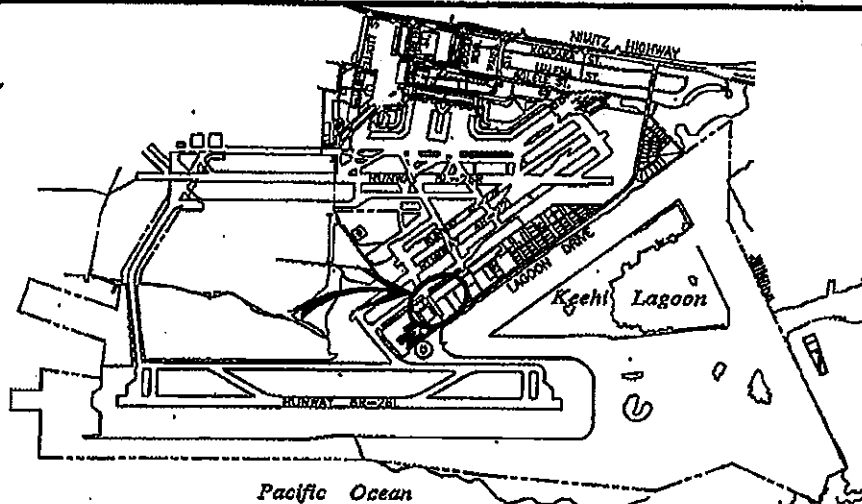
That the Board authorize the Department of Transportation to issue a direct lease to the University of Hawaii for the benefit of Honolulu Community College's AERO program, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the lease form and content.

Respectfully submitted,

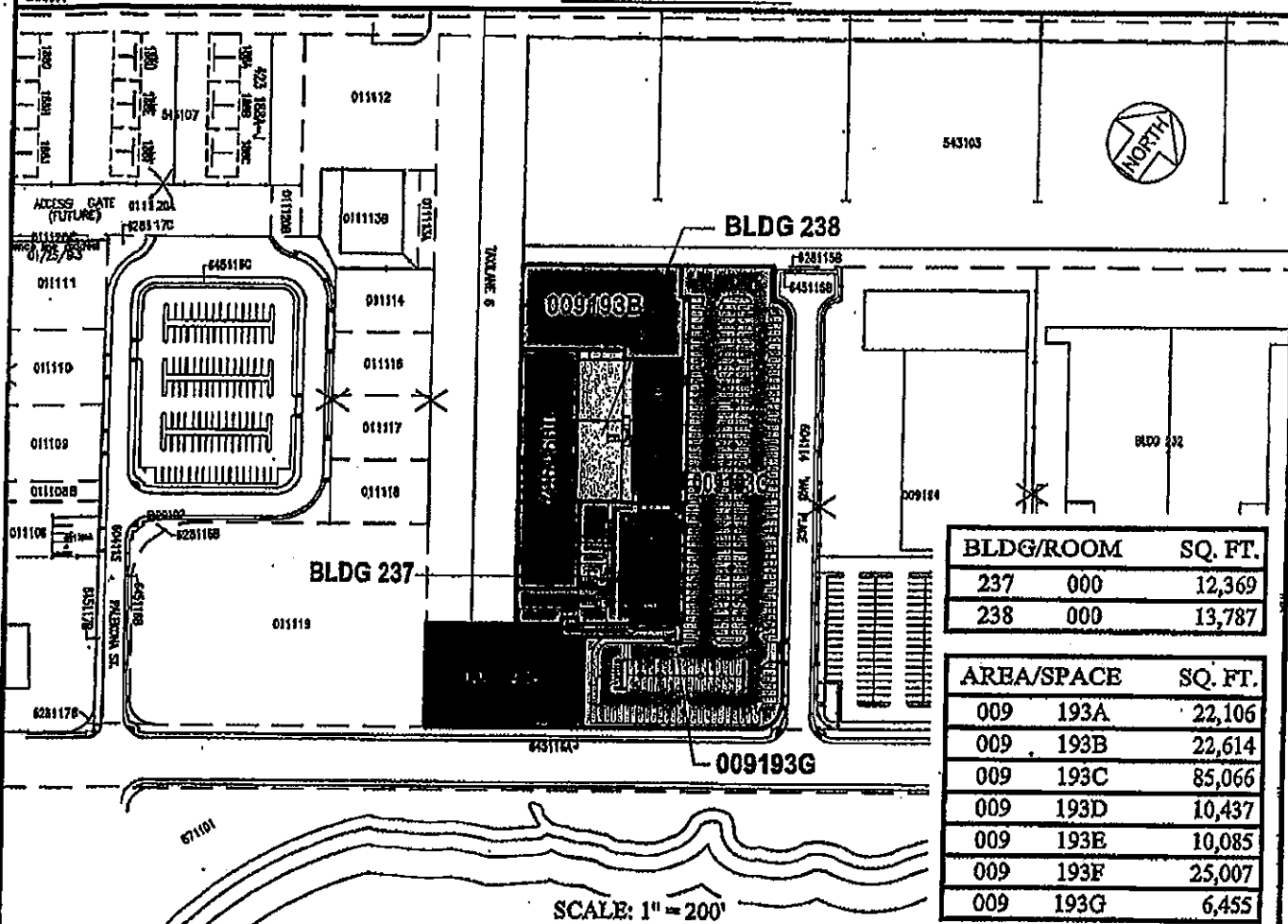

BRENNON T. MORIOKA, Ph.D, P.E.
Director of Transportation

APPROVED FOR SUBMITTAL:


LAURA H. THIELEN
Chairperson and Member



5000:1



BLDG/ROOM	SQ. FT.
237 000	12,369
238 000	13,787

AREA/SPACE	SQ. FT.
009 193A	22,106
009 193B	22,614
009 193C	85,066
009 193D	10,437
009 193E	10,085
009 193F	25,007
009 193G	6,455

DATE : JANUARY 1996

EXHIBIT: A



Airports Division

UNIVERSITY OF HAWAII,
HONOLULU
COMMUNITY COLLEGE

BUILDING 237 & 238
LOTS
SOUTH RAMP

BLDG 237
BLDG 238
009193A-G
PLAT 45

HONOLULU INTERNATIONAL AIRPORT

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